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SUBJECT: ARGENTINA: ELECTIONS 2007 WEEKLY ROUNDUP

Classified By: Ambassador E. Anthony Wayne for Reasons
1.4(b) and (d).

11. (SBU) SUMMARY: Election season is in full gear now that there are less than 60 days to presidential elections on October 28. The opposition further damaged its image this week when the highly-publicized effort to join the candidacies of center-left leader Elisa Carrio and center-right leader Ricardo Lopez Murphy ended in failure. At the provincial level, staggered elections since March have mostly shown strong support for Kirchner-backed gubernatorial candidates; two elections September 2 will test that trend. First Lady and Senator Cristina Fernandez de Kirchner remains virtually unchallenged in the presidential race by the fragmented and weak opposition, which has almost no chance of uniting before October. This has led many analysts to begin speculating on the make-up of a Fernandez de Kirchner administration. SEPTTEL will provide perspectives of presidential candidate and former Economy Minister Roberto Lavagna. END SUMMARY.

The Race for President

12. (SBU) With less than 60 days to presidential elections on October 28, Senator and First Lady Cristina Fernandez de Kirchner is still enjoying a healthy lead over the next-closest presidential candidate. Local polls estimate her current level of intended votes for October at over 45%, with second place going to either former Kirchnerista Economy Minister Roberto Lavagna or Elisa Carrio with approximately 10% each. Local political analysts and pollsters see no current obstacles to Fernandez de Kirchner winning comfortably in the first round in October. The recent surge of press on corruption scandals linked to the government have not affected Mrs. Kirchner's estimated intended votes yet, although her public approval figures have dropped a few points in recent weeks. Part of the reason may be the flood of salary and benefit increases being announced and supported by the government.

13. (C) The opposition further damaged its image this week when the highly-publicized effort to strike an alliance of center-left leader Elisa Carrio and center-right leader Ricardo Lopez Murphy ended in failure. The alliance, which would have proposed Carrio for president and Lopez Murphy for senator, sought to benefit Carrio's final vote tally by attracting Lopez Murphy's portion of the center-right vote.

One local analyst thought that the alliance had had the potential to overtake the second-place position currently held by Lavagna, who is running with a mix of support from Radical Civic Union (UCR) and Peronist politicians. The final date to register candidates for the national elections is September 8. The deadline to register political alliances for the national elections was August 28.

14. (C) According to a local politician close to Lopez Murphy, both Carrio and Lopez Murphy's respective parties were deeply angered by the possibility of an alliance between the right and the left. Socialist members of Carrio's Civic Coalition spoke publicly about their dismay over an alliance with the right, but Carrio's former party ARI reportedly had decided to remain mum about its anger until after the October elections. Center-right RECREAR party was also reportedly against the alliance and tried to convince Lopez Murphy to remain allied with Mayor-elect of Buenos Aires city Mauricio Macri. Macri had waffled for months over supporting Lopez Murphy as a presidential candidate, but finally said publicly he would support Lopez Murphy's candidacy under his party, PRO, but only in the city. Macri reportedly had tried to get Lopez Murphy to run for a Senate seat--PRO's first and only representation in the National Senate--instead of president. Both Carrio and Lopez Murphy have said they plan to continue as candidates for president, although this latest failed attempt to unite has damaged their public images and served to strengthen the lead the First Lady enjoys in the polls.

Administration In-Fighting

15. (SBU) Now that it appears that Cristina Kirchner will, barring some catastrophe, retain her dominant lead in the polls through Election Day and possibly even win a first-round victory, much attention has shifted to who will join her administration. Since she is campaigning simultaneously on promises of continuity and change, it is reasonable to expect she will keep some holdovers from her husband's administration but bring some new faces into her cabinet. As current cabinet members jockey for position and favor, in-fighting between key members of the current Kirchner administration has become the fodder of much media speculation. In particular, long-standing internal disputes between Chief of Staff Alberto Fernandez and Minister of Planning Julio De Vido are considered to be particularly cut-throat.

16. (SBU) Some trace the titanic clash between the two most dominant ministers in Kirchner's cabinet to 2002, when both worked on Kirchner's presidential campaign. Fernandez was then Kirchner's campaign manager and De Vido his top fund-raiser. Once Kirchner won the Presidency, the rivalry between the two intensified and became the stuff of legend. Indeed, the unearthing of several recent corruption scandals (Skanska, the manipulation of INDEC's statistics, Economy Minister Miceli's "Toiletgate," Environmental Minister Picolotti's questionable finances, and the Venezuelan suitcase scandal) have been attributed to Fernandez or De Vido and their ongoing efforts to take down the other.

17. (SBU) For example, in the case of "Valijagate," the scandal over the attempt to smuggle \$800,000 from Venezuela into the country, many observers believe that Fernandez must have played a role ensuring that Argentine Customs had an unusually large contingent of inspectors waiting at 2:30 in the morning for a flight from Caracas chartered by some of De Vido's associates.

18. (SBU) As De Vido and Fernandez are uncommonly powerful in the current constellation, their futures in a Cristina administration are a major subject of speculation among the political class. Conventional wisdom is that Cristina likes Fernandez but loathes De Vido and will get rid of him and his people as soon as she can. Some observers point out, however, that De Vido retains Nestor Kirchner's support, and that Nestor will make sure that his wife finds a spot for De

Vido in her cabinet.

Provincial Races

¶9. (SBU) Since March, most Kirchner-backed gubernatorial candidates have won, sometimes by astonishing margins. In Catamarca, Entre Rios, Rio Negro, San Juan, La Rioja, and Tucuman Kirchner's candidates have won up to 80% of the vote in their races. The exceptions have been in Tierra del Fuego, where center-left ARI candidate Fabiana Rios won with 52%, in Neuquen where center-right Neuquen Popular Movement candidate Jorge Sapag won with 46.7%, and in San Luis where opposition Peronist Alberto Rodriguez Saa won with 83%.

--Santa Fe

¶10. (SBU) Local elections for governor and provincial congressmen will take place September 2 in Santa Fe. Socialist Hermes Binner has been leading the polls in the governor race for months, with a projected 45.7% of the votes. His nearest competitor, Kirchner-backed national Congressman Rafael Bielsa, is projected to receive 39.5% of the votes on Sunday. Binner's camp has expressed confidence that Binner will win by at least 10% on Sunday, but Bielsa's camp predicts a head-to-head finish resulting in Bielsa's triumph. Binner has recognized in the press Bielsa's recent rising poll numbers but he does not seem concerned with the arrival of President Kirchner August 29 to campaign for Bielsa. Binner was quoted as saying, "Kirchner has already come to Santa Fe, and the result has not changed." Kirchner attacked Binner in his August 29 address at the Sauce Viejo airport saying, "the people of Santa Fe do not vote for hypocrites and they like people who say what they think." He added, ironically, "those who speak about others have little to say about themselves and are weak." Binner chose not to campaign with any national candidates from his Progressive Front, such as presidential candidate Elisa Carrio.

¶11. (SBU) The province has been run by Peronists for 24 consecutive years, but a 2004 change in the electoral law that mandated primary elections and instituted first-past-the-post voting for governor has made it easier for opposition parties to succeed. Binner is running with the Progressive Front, a unique mix of UCR, ARI, socialists, and progressive democrats. Bielsa, although currently a congressman representing the city of Buenos Aires, was born in the capital of Santa Fe, which allows him to run for provincial office. Bielsa used his contacts with current Santa Fe Governor Jorge Obeid to defeat Augustin Rossi, the head of Kirchner's Victory Front (FPV) block in the lower house of Congress, in primary elections in July 2007.

--Cordoba

¶12. (SBU) Local elections for governor and provincial congressmen will take place September 2 in Cordoba, and the governor race appears to have come down to a choice between two Kirchner-backed candidates. Peronist candidate and current Vice Governor Juan Schiarette leads the polls with 36.9%. His nearest competitor, Peronist current Mayor of Cordoba city Luis Juez, is projected to pull 25.2%, while third place is expected to go to UCR candidate Mario Negri with 21.5%. According to the latest provincial polls, approximately 15% of voters remain undecided. Schiarette is supported by current Governor and Kirchner-rival Jose Manuel de la Sota and the "pinguino" (those who hail from Kirchner's Santa Cruz province) Kirchneristas led by Planning Minister Julio DeVido and Transportation Secretary Ricardo Jaime. Juez is supported by "albertismo" (a local description of those close to Cabinet Chief Alberto Fernandez) Kirchneristas, such as Vice President of the lower house of Congress Patricia Vaca Narvaja and presidential Chief of Staff Oscar Parilli. On August 8, First Lady and presidential candidate Cristina Kirchner said during a visit to Cordoba that she plans to vote for Schiarette, despite Juez being the FPV candidate in the province. Many analysts

speculate that, in light of Schiaretti's high chances of winning, the Kirchners' support for his campaign comes from a desire to claim his victory as another victory for Kirchnerism in general.

--Buenos Aires province

¶13. (SBU) Current Vice President Daniel Scioli confirmed his candidacy for governor of Buenos Aires province at a campaign launch on August 21. Scioli also confirmed his running mate will be Speaker of the House Alberto Balestrini, a politician widely viewed as a loyal Kirchner supporter. The Scioli-Balestrini ticket is expected to receive more than 50% of the vote in the provincial elections scheduled for October 28 (the same day as the national elections) and is boosted by the addition of numerous opposition candidates. The center-right is offering at least four tickets: businessman Francisco de Nervaez and Jorge Macri for PRO, national Congressman Sergio Nahabetian and businessman Jose Tumini for RECREAR, anti-crime activist Juan Carlos Blumberg and writer Jorge Asis for the Peronist ticket headed by Neuquen Governor and presidential candidate Jorge Sobisch, and former Police Chief Luis Patti and former teacher Silvia Barreiro for the Peronist ticket headed by San Luis Governor and presidential candidate Alberto Rodriguez Saa. Former Kirchner Economy Minister Roberto Lavagna supports two formulas for governor of Buenos Aires province: son of former President Ricardo Alfonsin and actor Luis Brandoni for the UCR, and Buenos Aires province Economy Minister Jorge Sarghini and Ambassador Teresa Sola for the Peronists supporting Lavagna. Center-left leader Elisa Carrio has announced her support for dissident UCR candidate Margarita Stolbizer, which led to the resignation of the ARI candidate, Carlos Raimundi. (Elisa Carrio founded ARI but left the party in 2007 to pursue a Civic Coalition in the Buenos Aires mayoral race in June 2007.)

--Tucuman

¶14. (SBU) Current Governor Jose Alperovich won reelection on August 26 by a landslide 80% to less than five percent for the second-place finisher Ricardo Bussi. Alperovich ran on the FPV ticket and enjoyed the support of the Kirchner administration. Alperovich recognized the President's help to his province in interviews following his win saying, "the President has helped me a lot in these four years. He is an unconditional man of Tucuman." Argentine press heralded Alperovich's win as a major victory for Kirchnerism, especially after the 80% win of anti-Kirchner Peronist Alberto Rodriguez Saa in San Luis province on August 19. Bussi is the son of ex-general Domingo Bussi, who helped the province control leftist rebel violence in the 1970s. He then became de facto governor of Tucuman (1976-1977), during which time he is accused of the torture and disappearance of more than 500 people as part of Argentina's "Dirty War." He was elected governor of Tucuman in July 1995. Ricardo Bussi's campaign was hampered by the reputation of his father.

Comment

¶15. (C) With less than 60 days until the presidential elections on October 28, First Lady and Senator Cristina Fernandez de Kirchner remains virtually unchallenged by the fragmented and weak opposition. Kirchnerista candidates are expected to win many of the remaining provincial elections, especially in the key province of Buenos Aires where Scioli's popularity continues to grow. Santa Fe may be the only district left that remains within reach of an opposition party, although rumors are beginning to circulate that the Kirchners are concerned about losing the Santa Cruz elections in October. Their troubled home province's latest round of civil unrest may have damaged acting Governor and Kirchnerista Daniel Peralta's chances to win the office of governor (NOTE: Peralta was named by Kirchner to replace Carlos Sancho as governor of Santa Cruz after Sancho failed to negotiate an end to a more than 40 day teachers union

strike in May. END NOTE.). There appears to be almost no chance of uniting the opposition after the latest public failure of Lopez Murphy and Carrio to agree to an alliance, leaving no serious opposition candidate as an alternative to Mrs. Kirchner in the October elections. END COMMENT.
WAYNE